

Office of the Chapter 13 Standing Trustee

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February 7, 2023

The Honorable Andrew B. Altenburg, Jr.
United States Bankruptcy Court
P.O. Box 2067
Camden, New Jersey 08102

RE: Chapter 13 Bankruptcy
Case No. 18-14783 (ABA)
Debtor(s) Name: Karen D. Hill

Dear Judge Altenburg:

Please accept this letter in lieu of a more formal objection to Debtor's Motion to Obtain Post-Petition Financing, which is returnable Tuesday, February 28, 2023, at 10:00 a.m.

Debtor now comes before the Court fifty-nine (59) months after filing for Chapter 13 Bankruptcy protection on a Motion to Approve Post-Petition Financing. Debtor seeks to purchase a 2020 Mercedes-Benz A-Class for \$29,280.72 at 20.69% interest with monthly payments of \$719.26 per month for 72 months. The Trustee objects.

Debtor states that her vehicle is inoperable, and she has been paying weekly for various ways to get to/from work. It is the Trustee's position that the purchase of a luxury vehicle with monthly payments of \$719.26 at an interest rate of 20.69% is not necessary for the support and maintenance of Debtor. Debtor's Schedule B lists a 2014 Mercedes-Benz C300, with monthly payments of \$570. The Retail Installment Sales Contract does state that Debtor is trading in her previous vehicle. The Trustee objects to Debtor having two (2) vehicles for a household of one.

Debtor's current plan payment is \$488. The current car payment listed on Schedule J is \$570.00. Since no claim was filed by the secured creditor for the 2014 Mercedes-Benz C300, the maturity date for the vehicle is unknown. Debtor has not advised if the new payment of \$719.26 is in addition to the current car payment of \$570 or if the 2014 Mercedes-Benz C300 is paid in full.

Assuming, the 2014 Mercedes-Benz C300 is paid in full, Debtor's Schedule J lists a net income of \$379.55. An additional \$149.26 per month for the increased car payment makes Debtor's case unfeasible. The Trustee further notes that Debtor is currently \$1,122 in plan

arrears through and including the plan payment due February 1, 2023. Debtor failed to submit a plan payment in August 2022, and is sending \$448 instead of \$488 each month, which is causing an increase in arrears each month.

Debtor's proposed Order states that Debtor shall file a Modified Chapter 13 Plan and an Amended Schedule J within ten (10) days of the date of the Order. On December 23, 2021, the Court entered an Order Confirming Modified Chapter 13 Plan which extended the total length of plan to 84 months pursuant to the CARES ACT. The CARES ACT expired March 27, 2022. Pursuant to 11 U.S.C. § 1329(a), a modified plan cannot propose a length of plan more than five years. Since Debtor's case is in its 59th month, any modified plan filed by Debtor would need to pay the balance due to all creditors within one (1) month. The current balance due is \$13,322.

Based on the foregoing, it is the Trustee's position that the purchase of a 2020 Mercedes-Benz A Class, at \$719.26 per month with an interest rate of 20.69% is excessive and not in the best interest of the Debtor or her creditors. The Trustee respectfully requests that Debtor's motion be denied.

As always, please feel free to contact the Trustee or her staff with any questions or concerns.

Respectfully submitted,

s/ Isabel C. Balboa

Isabel C. Balboa
Chapter 13 Standing Trustee

ICB/jpa

cc: Tamika N. Wyche (Via CM/ECF and e-mail)
Karen D. Hill (Via First Class Mail)